



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 7, 1994

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director *LPS*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Ash Grove Cement Company, County Canyon Gypsum Mine, M/023/024, Juab County, Utah

The Division seeks Board approval of the amount and form of Reclamation Surety as provided by Ash Grove Cement Company for their County Canyon Gypsum Mine, located in Juab County Utah. This is an existing small mining operation that is being expanded to a large mining category. Two surety bonds are in effect for the operation. One has been filed with the Bureau of Land Management for \$21,600 and one has been filed with this Division in the amount of \$23,000. A \$46,600 (1997 dollars) surety estimate was calculated by the Division for @22 acres of surface disturbance. Because this mining project has been categorized as a **Mineral Materials Sale** by the BLM, it is not covered under any of our existing joint agency Memoranda of Understanding (MOU) for locatable and leasable minerals. As a result, neither of the surety bonds were prepared in the names of both DOGM and the BLM.

It is the position of the Division and BLM (State Office), that both sureties are sufficient to jointly cover the projected reclamation costs for this project. We are recommending approval of the form and amount of surety because we believe the Division is adequately secured and in order to allow this operator to proceed with mining activities. We have initiated discussions with the BLM to define a formalized mechanism and/or procedure to jointly process reclamation sureties held for Mineral Material sales, and will keep the Board informed of our progress in that regard.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract (FORM MR-RC)
6. Surety bond (Attachment B - MR FORM 6)
7. Copy of BLM Surety Bond

Thank you for your time and consideration of this request.

jb
attachments
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